

California Beverage Container Recycling Fund

Program Reform Initiative

WORKSHOP #4

II. Modernize Program Operations

C: Processing Fee & Processing Payment Structure

D: Redemption Fee Payment Structure

F: Administrative Fee Payment Structure

October 3, *Wednesday*: @ 9AM – 12 [*Sierra Hearing Room*]

October 4, *Thursday*: @ 9AM – 12 / 1:30 – 4:30 [*Coastal Hearing Room*]



California Beverage Container Recycling Fund Program Reform Initiative

Opening Remarks

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AGENDA

1. Review Ground Rules
2. Review the Findings / Intent / Purpose of the Act
3. Review Program Reform – Approach
4. Review Master Idea List
5. Education / Background from CalRecycle
6. Master Ideas Presentation (workshop specific topics)
7. Discussion / Capture / Open issues
8. Capture New Ideas (workshop specific topic areas only)
9. Discussion / Capture / Open Issue
10. Review Action Items
11. Meeting Process Lessons Learned
12. Next meeting

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GROUND RULES

- ✓ One person speaks at a time
- ✓ Feedback/Input – State name, use microphone or GTM chat
- ✓ Respect the opinions of others
- ✓ Phones or electronic devices on silent/vibrate
- ✓ Dialogue and Discussion must stick to the topic and be constructive
- ✓ Be Brief. Comments should be specific and to the point
- ✓ Parking lot will be maintained for ideas/comment not on topic, without discussion

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FINDINGS / INTENT / PURPOSE OF THE ACT

- Reach an 80% overall recycling rate
- Create and maintain a marketplace profitable enough for sufficient recycling centers and locations to provide consumers with convenient recycling opportunities
- Ensure that every container type proves its own recyclability
- Urges cities and counties to act favorably on siting recycling centers & other recycling opportunities

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FINDINGS / INTENT / PURPOSE OF THE ACT

- Responsibilities and regulations of the Department shall favor recycling of redeemed containers as opposed to disposal
- Enhance profitability of recycling center locations and other beverage container recycling programs
- Provide convenient, efficient , and economical redemption opportunities
- Contribute significantly to the reduction of UBC component of litter in this state

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PROGRAM REFORM - APPROACH

- Ensure Integrity of Program Payments Paid In & Paid Out
- Modernize Program Operations
- Improve Cash Flow
 - Increase Receivables
 - Reduce Payables

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II. Modernize Program Operations

C: Processing Fee & Processing Payment Structure

1. Eliminate processing fee offset from CBCRF
2. Reduce amount of the processing fee offset from CBCRF
 - a. Tie PF to minimum content
 - b. Tie PF offset to current recycling rate, by material type
 - c. Eliminate sliding scale for determining the PF rate
3. Shift responsibility for paying PF to Distributors

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II. Modernize Program Operations

C: Processing Fee & Processing Payment Structure

4. Shift responsibility for paying processing fee from beverage manufacturers to dealers
5. Change the PF paid based upon size or weight of the container subject to PF
6. Only pay PP for material types that have a PF paid
7. Abolish material types (e.g., PP, LDPE, PS, etc.)

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II. Modernize Program Operations

D: Redemption Fee Payment Structure

1. Shift responsibility for paying redemption payments to dealers
2. Pay \$0.10 CRV on all beverages deemed 'IN' regardless of container size
3. Keep Redemption Payment at \$0.05 and \$0.10, but decrease CRV paid out (less administrative fees paid).
4. Increase CRV to \$0.10 and \$0.25 (as an example)

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D: Redemption Fee Payment Structure

5. Adjust \$0.10 CRV threshold from 24 oz. to 20 oz. containers
6. Reduce Redemption payment to \$0.02 and \$0.05 (as an example)
7. Administrative & Operational
 - a) Move to Workshop # 7, Oct 31. Include all 'ready-to-drink' beverages for human consumption, except as specifically excluded in the Act (i.e., milk, medical food, and baby formula) in the program.

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II. Modernize Program Operations

F: Administrative Fee Payment Structure

1. Reduce the current administrative percentage DS participants are allowed to deduct from their CRV payment
2. Reduce the current administrative percentage paid to all disbursement program participants
3. Eliminate current administrative fee paid to all disbursement program participants



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Working Session

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BREAK – Return @ 10:45

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California Beverage Container Recycling Fund Program Reform Initiative

LUNCH – Return @ 1:30

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Next Workshop

Workshop #5

II. Modernize Program Operations

B: Calculation & Application of Commingled Rates

E: Refund Value Payment Structure

October 16, *Tuesday*: @ 1:30 – 4:30 [*Byron Sher Auditorium*]

October 17, *Wednesday*: @ 9 a.m. – 12 / 1:30 – 4:30 [*Sierra Hearing Room*]